

(4) The repayment schedule (including percentage), if applicable.

(b) The Administrative Law Judge's decision does not preclude an employee from requesting a waiver of a salary payment under 5 U.S.C. 5584, 10 U.S.C. 2774, or 32 U.S.C. 716, or in any way questioning the amount or validity of a debt by submitting a subsequent claim to GAO in accordance with procedures prescribed by GAO.

§ 1017.8 Exception to entitlement to notice, hearing, written responses and final decisions.

The Commission shall except from the provisions of § 1017.4 through § 1017.7 any adjustment to pay arising out of an employee's election of coverage or a change in coverage under a Federal benefits program, requiring periodic deductions from pay, if the amount to be recovered was accumulated over four pay periods or less.

§ 1017.9 Coordinating offset with another Federal agency.

(a) *The Commission as creditor agency.* When the Chief, Budget and Fiscal Office, determines that an employee of another Federal agency owes a delinquent debt to the Commission, he/she shall:

(1) Arrange for a hearing upon proper petitioning by the employee;

(2) Certify in writing to the other Federal agency that the employee owes the debt, the amount and basis of the debt, the date on which payment is due, the date the Government's right to collect the debt accrued, that the Commission's regulations for administrative offset have been approved by the Office of Personnel Management, and that the provisions of 4 CFR 102.3(f) have been fully complied with;

(3) If collection must be made in installments, advise the paying agency of the amount or percentage of disposable pay to be collected in each installment;

(4) Advise the paying agency of any action taken under 5 U.S.C. 5514(a);

(5) If the employee is in the process of separating, the Commission must submit its debt claim to the paying agency as provided in this part. The paying agency must certify any amounts already collected, notify the employee, and send a copy of the cer-

tification and notice of the employee's separation to the creditor agency—if the paying agency is aware that the employee is entitled to money from the Civil Service Retirement and Disability Fund, it must certify to the Office of Personnel Management (OPM) that:

(i) The debtor owes the U.S. a debt, including the amount of that debt;

(ii) The Commission has complied with the applicable statutes, regulations, and procedures of OPM; and

(iii) The Commission has complied with the requirements of 4 CFR 102.3, including any hearing or review; and

(6) If the employee has already separated and all payments due from the paying agency have been paid, the Chief, Budget and Fiscal Office, may request from OPM, unless otherwise prohibited, that money payable to the employee from the Civil Service Retirement and Disability Fund or other similar funds be collected by administrative offset and provide the certification described in paragraph (a)(5) of this section.

(b) *The Commission as paying agency.*

(1) Upon receipt of a properly certified debt claim from another agency, deductions will be scheduled to begin at the next established pay interval. The employee must receive written notice that the Commission has received a certified debt claim from the creditor agency, the amount of the debt, the date administrative offset will begin, and the amount of the deduction(s). The Commission shall not review the merits of the creditor agency's determination of the validity or the amount of the certified claim.

(2) When the Commission receives an incomplete debt from another (creditor) agency, the Commission must return the debt claim with a notice that procedures under 5 U.S.C. 5514 and 5 CFR 1108 must be provided and a properly certified debt claim received before action will be taken to collect from the employee's current pay account.

(3) If the employee transfers to another agency after the creditor agency has submitted its debt claim to the Commission and before the debt is fully collected, the Commission must certify the total amount collected to the creditor agency, along with notice of the

transfer, and furnish a copy of same to the employee.

§ 1017.10 Procedures for administrative offset.

(a) Debts will be collected in one lump sum where possible. If the employee is financially unable to pay in one lump sum, collection shall be made in installments.

(b) Debts shall be collected by deduction at officially established pay intervals from an employee's current pay account, unless alternative arrangements for repayment are made.

(c) Installment deductions will be made over a period not greater than the anticipated period of employment. The size of installment deductions must bear a reasonable relationship to the size of the debt and the employee's ability to pay. The deduction for the pay intervals for any period shall not exceed 15 percent of disposable pay, unless the employee has agreed in writing to a deduction of a greater amount.

(d) Unliquidated debts may be offset against any financial payment due to a separated employee (including, but not limited to, final salary payment or lump-sum payment for leave).

§ 1017.11 Refunds.

(a) The Commission shall promptly refund any amounts deducted to satisfy debts owed to it when the debt is waived, found not owed to the Commission, or when directed by an administrative or judicial order.

(b) A creditor agency will promptly return any amounts deducted by the Commission to satisfy debts owed to a creditor agency when the debt is waived, found not owed, or when directed by an administrative or judicial order.

(c) Unless required by law, refunds under this subsection shall not bear interest.

§ 1017.12 Statute of limitations.

If a debt has been outstanding for more than 10 years after the agency's right to collect the debt first accrued, the agency may not collect by salary offset unless facts material to the Government's right to collect were not known and could not reasonably have been known by the official or officials

who were charged with the responsibility for discovery and collection of such debts.

§ 1017.13 Nonwaiver of rights.

An employee's involuntary payment of all or any part of a debt collected under these regulations will not be construed as a waiver of any rights that employee may have under 5 U.S.C. 5514 or any other provision of law.

§ 1017.14 Interest, penalties, and administrative costs.

(a) The rate of interest assessed shall be the rate of the current value of funds to the U.S. Treasury (i.e., the Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the FEDERAL REGISTER and the Treasury Financial Manual Bulletins. A higher rate of interest can be assessed if the Commission can reasonably determine that a higher rate is necessary to protect the interests of the United States. The rate of interest, as initially assessed, shall remain fixed for the duration of the indebtedness, except where a debtor has defaulted on a repayment agreement and seeks to enter into a new agreement. The Commission may set a new interest rate which reflects the current value of funds to the Treasury at the time the new agreement is executed. The Commission shall waive the collection of interest on the debt or any portion of the debt which is paid within 30 days after the date on which interest began to accrue.

(b) The Commission shall assess a penalty charge not to exceed 6 percent a year on any portion of a debt that is delinquent as defined in 4 CFR 101.2(b) for more than 90 days. This charge need not be calculated until the 91st day of delinquency, but shall accrue from the date that the debt became delinquent.

(c) The Commission shall assess against a debtor charges to cover administrative costs incurred as a result of a delinquent debt—that is, the additional costs incurred in processing and handling the debt because it became delinquent as defined in 4 CFR 101.2(b).

(d) When a debt is paid in partial or installment payments, amounts received by the agency shall be applied